officials has been constituted to monitor and draw a comprehensive strategy to combat FICN. Similar bodies have also been set up in the States. In addition, Government of India have nominated the Central Bureau of Investigation as the Nodal Agency to monitor investigation of fake currency note cases. The RBI has also strengthened the mechanism for detection of counterfeit notes by the Banks.

Review of FDI guidelines

1259. SHRI M.P. ACHUTHAN:
SHRI D. RAJA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government is considering a proposal to thoroughly review its Foreign Direct Investment (FDI) guidelines following increasing risk of terror funds being parked in the country and other investments fraught with security implications; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The policy on Foreign Direct Investment (FDI) is incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified under the Foreign Exchange Management Act (FEMA), 1999. FEMA indicates the countries from where investment is not permitted. As per Section 5(1) of FEMA Regulations, 2000 a person resident outside India or an entity incorporated outside India, other than a citizen or an entity in Pakistan, may purchase shares or convertible debentures of an Indian company under FDI scheme. FDI coming from Bangladesh is required to follow the approval route. Section 13 of the Act provides for imposition of penalty, after adjudication, for contravention of the provisions of the Act or Rules/Regulations. Further, any company established in the country has to follow the relevant rules and regulations and is subject to the provisions of relevant Acts, including the Prevention of Money Laundering Act.

Government has put in place a liberal and investor friendly policy on Foreign Direct Investment (FDI) under which FDI up to 100% is permitted on the automatic route in most sectors/activities. The policy on FDI is reviewed on a continuing basis through an inter-ministerial consultation process, with a view to rationalizing/simplification of the policy and taking into account stakeholders concerns. All concerns of National security are being constantly addressed to by the Government suitably.

Unclaimed money with commercial banks

1260. DR. (SHRIMATI) NAJMA A. HEPTULLA:
SHRI NARESH GUJRAL:
SHRI MAHENDRA MOHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that a large amount of unclaimed money is lying in commercial banks for the past several years;

(b) if so, the details thereof;

(c) whether the Reserve Bank of India's (RBI), instructions to banks to trace customers or the legal heirs of unclaimed accounts have been followed;

(d) if so, the details thereof; and

(e) the manner in which such amount is likely to be utilized or refunded to the legal heirs of account holders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Reserve Bank of India (RBI) has reported that the unclaimed deposit of Scheduled Commercial Banks for the last three years is as detailed below:

Sl.No.	Year ended	Amount (Rs.)
1.	31.12.2006	1025, 13, 74, 675 and US$ 6513
2.	31.12.2007	1095, 46, 84, 927 and US$ 6513.05
3.	31.12.2008	1188, 07, 83, 411.49

(c) to (e) Banks have reported that they have been following RBI instructions of August, 2008 to trace customers or the legal heirs of unclaimed deposits. In terms of these instructions, branches of a bank are required to make an annual review of accounts in which there are no operations *i.e.* no credit or debit other than crediting of periodic interest or debiting of service charges, for more than one year. The branches are required to approach the customers and inform them in writing that there has been no operation in the account and ascertain the reasons for the same. If the letters sent to account holders are returned undelivered, the branches are put on enquiry to find out the whereabouts of the customer or the legal heir, in case the account holder is deceased. They have also been advised to seek the help of the introducer of the account or the employer of the account holder or any other person whose details are available with them, who could provide information on the whereabouts of the account holder. The unclaimed deposits lie with the respective banks who deploy the same for their general business like any other deposits.

Elimination of fake currency from national economy

1261. MS. MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether Government is worried over the fake currency which is hurting the economy;

(b) whether according to RBI estimates, the number of fake notes detected by the banking system in 2007-08 was 1,95,811 against 4,422.5 crore notes in circulation;